

Health Benefits Fund
For the period ended May 31, 2004
(amounts expressed in thousands)

	FY2003 CAFR	FY2004				F & A Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
City Medical Plans	\$ 145,046	\$ 174,384	\$ 174,384	\$ 159,428	\$ 171,648	\$ 171,648
City Dental Plans	7,350	8,119	8,119	7,055	7,863	7,863
City Life Insurance Plans	5,789	6,091	6,091	5,047	5,542	5,542
Dependent Care Reimbursement	144	160	160	130	160	160
Operating Revenues	<u>158,329</u>	<u>188,754</u>	<u>188,754</u>	<u>171,660</u>	<u>185,213</u>	<u>185,213</u>
Operating Expenses						
City Medical Plan Claims	143,314	171,575	169,375	152,699	169,548	169,548
City Dental Plan Claims	7,346	8,119	7,669	7,055	7,863	7,863
City Life Insurance Plans	5,788	6,091	5,741	4,945	5,441	5,441
Administrative Costs	2,604	3,206	3,206	2,289	2,702	2,702
Dependent Care	144	160	160	130	160	160
Operating Expenses	<u>159,196</u>	<u>189,151</u>	<u>186,151</u>	<u>167,118</u>	<u>185,714</u>	<u>185,714</u>
Operating Income (Loss)	(867)	(397)	2,603	4,542	(501)	(501)
Nonoperating Revenues (Expenses)						
Interest Income	515	350	350	273	275	275
Prior Year Expense Recovery	268	47	47	222	222	222
Nonoperating Revenues (Expenses)	<u>783</u>	<u>397</u>	<u>397</u>	<u>495</u>	<u>497</u>	<u>497</u>
Net Income (Loss)	(84)	0	3,000	5,037	(4)	(4)
Net Assets, Beginning of Year	<u>1,120</u>	<u>1,036</u>	<u>1,036</u>	<u>1,036</u>	<u>1,036</u>	<u>1,036</u>
Net Assets, End of Year	<u>\$ 1,036</u>	<u>\$ 1,036</u>	<u>\$ 4,036</u>	<u>\$ 6,073</u>	<u>\$ 1,032</u>	<u>\$ 1,032</u>

About the Fund:

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Point of Service (POS) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.